

MONTANA BOARD OF HOUSING

301 S Park Ave, Rm 226

Helena MT 59601

February 14, 2005

ROLL CALL OF BOARD

MEMBERS: Bob Thomas, Chairman (Present)
Judy Glendenning, Vice Chairman (Present)
J. P. Crowley, Secretary (Present)
Susan Moyer (Present)
Audrey Black Eagle (Present)
Jeff Rupp (Present)
Betsy Scanlin (Present)

STAFF: Bruce Brensdal, Executive Director
Bob Morgan, Single Family Program Manager
Mat Rude, Multifamily Program Manager
Jeannie Huntley, Promotion Manager
Charlie Brown, Single Family Program Specialist
Gerald Watne, Multifamily Program Officer
Jeannene Maas, Training & Development Specialist
Vicki Bauer, Assistant Accounting & Finance Manager
Diana Hall, Administrative Assistant

COUNSEL: Pat Melby, Luxan and Murfitt

OTHERS: Gordon Hoven, Piper Jaffray
John Grant, Jackson, Murdo, and Grant
Alyce Howell, Wells Fargo Home Mortgage
Cedric Black Eagle, Vice Chairman Crow Tribe

CALL MEETING TO ORDER & PUBLIC COMMENTS

Chairman Bob Thomas called the meeting to order at 8:30 a.m. He asked the Board, staff, and guests to introduce themselves. He asked for comments from the public.

APPROVAL OF MINUTES

Judy Glendenning moved to approve the January 21, 2005 Board minutes. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

PROMOTIONAL PROGRAM

Jeannie Huntley presented an insert and fact sheet for Montana Board of Housing (MBOH). She also gave the highlights of what Housing Division did for Montana for the month of January. Jeannie told about upcoming Book Signings for the Plan Book.

MULTIFAMILY PROGRAM

Mat Rude said 10 Low Income Housing Tax Credit applications will be presented for the first round of allocation at the next meeting. A training session will take place the day before the Board meeting. Mat received an offer for the Meadowlark Apartments in Chester of \$87,500 as is. He said options include: 1. Counter-offer up to \$140,000 with the stipulations that the two low-income tenants are allowed to stay in the Apartments until they can receive vouchers. 2. Stay as is with MBOH continuing to own the Apartments. 3. Do a RFP and find a Realtor to market the sale. Mat said the Apartments are not an expense to MBOH at this time. Susan Moyer suggested waiting. Jeff Rupp and Betsy Scanlin recommended marketing the Apartments to entities that keep it affordable. Mat pointed out that it has been marketed as low-income, but vacancies made it essential to fill with market rate tenants. Judy Glendenning moved to turn down the \$87,500 as is offer. J.P. Crowley seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Mat presented three exceptions to the \$10,000 lump sum payment for the Reverse Annuity Mortgage (RAM) program. He gave an overview of the Program. Susan Moyer moved to approve the 3 RAM Lump Sum limit exception requests. Judy Glendenning seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

SINGLE FAMILY PROGRAM

Bob Morgan gave an overview of the Single Family Program. The Statewide Housing Profile shows the production for 2004. Bob gave information on the income limits and purchase price limits and said HUD changed their income limits on Friday. He explained the Recycled Funds from Pre-Ullman money.

The REO status report shows MBOH has only one property in Belgrade. The property in Glasgow was sold at auction.

Bob presented the quarterly delinquency report that compares MBOH delinquencies with Montana, the Mountain region, and the nation. Bob showed a report that compared Servicer delinquencies and said the lenders are doing an excellent job and work with loss-mitigation that keeps loans in delinquent status longer. He presented a report that showed the participating lenders in MBOH programs and the numbers of loans each one originated in 2004.

Bob gave the Mortgage Credit Certificate summary report. There have been 25 certificates issued and two are reserved. This program is used with non-MBOH loans and helps the borrower take 20% of the interest off their income taxes. The homebuyer files a W-4 form

with the employer to have less held out of their paycheck. The MCC program takes \$4 of volume cap for every \$1 in MCC.

Bob Morgan gave an update on the 2004 C Program. There have been 97 loans reserved for \$10,583,669 and 327 loans have been purchased for \$32,841,525 in the 2004 C Program. The zip code report shows the number of loans, the loan amount, and the average income for loans purchased and reserved in each county. The daily reservation report shows the amount of loans reserved daily and compares the interest rate of Bloomberg and Mountain West Bank. The reservation monthly history report compared the amount of purchases and reservation for each month since 1996. Bob showed how Montana compares with other states on a 30 year, fixed rate monthly comparison according to a survey. The reservation activity history compares each month for 2003 with 2004. Bob presented demographic reports for the 2004 first-time homebuyers loans and pre-Ullman and recycled funds. MBOH does about 1 out of every 5 home purchase loans and has continuous funding from the sale of tax-exempt bonds.

Bruce Brensdal introduced Tony Preite who is the new Director of Commerce.

Bob said there is \$31,006,697 committed to recycled setasides.

Bob presented a fax from Association of Realtors regarding written consent being required for "advertising faxes" to take effect on July 1, 2005.

EXECUTIVE DIRECTOR'S UPDATE

Bruce Brensdal said the Board is responsible for the election of officers. Susan Moyer nominated Bob Thomas as Chairman of the Board. Judy Glendenning seconded the motion. Bruce asked for public comments. The motion passed unanimously. The Board will revisit election of officers next year. Betsy Scanlin nominated Judy as Vice President and J.P. Crowley as Secretary. Jeff Rupp seconded the motion. Bruce asked for public comments. The motion passed unanimously.

Bruce presented a conference schedule. Betsy is interested in joining Judy, Bob, and Bruce for the Legislative Conference in Washington DC. The Regional Housing Summit will be in Nebraska on June 5-7 and Jeff, Susan, Judy, Bob, and J.P. expressed interest in attending. They are gathering ideas for discussion topics and speakers at the summit.

There will be a training meeting on March 14. The next meeting is scheduled for March 15th in Helena. Meetings are tentatively scheduled for April 18, May 16, and June 13.

The meeting adjourned at 12:07 p.m.

J. P. Crowley, Secretary

Date